

RESILIENT

ENT

2021

Q1-Q3 2021  
Quarterly Highlights

resilient.

<b>BOOKINGS</b>	<b>MEUR 237.1</b>
1-9/2020	MEUR 184.0
<b>SALES</b>	<b>MEUR 208.3</b>
1-9/2020	MEUR 236.4
<b>EBIT</b>	<b>MEUR 16.1</b>
1-9/2020	MEUR -19.8
<b>PROFIT AFTER TAX</b>	<b>MEUR 8.9</b>
1-9/2020	MEUR -21.3

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# HIGHLIGHTS

## Q1 - Q3 2021

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### SBO: Sound growth in the first three quarters of 2021

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**Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft** (SBO), which is listed on the ATX leading index of the Vienna Stock Exchange, recorded three positive quarters in 2021. The constant upward trend observed since the beginning of the year continued throughout the third quarter across all regional markets. Stimuli originated particularly from the international market, driven by the strong outlook for 2022. Bookings increased substantially in the first three quarters, arriving at MEUR 237.1. SBO's sales in the first nine months of the year amounted to MEUR 208.3. EBIT climbed sharply to MEUR 16.1, and the EBIT margin improved to 7.7 %. Profit after tax rose steeply year-on-year to MEUR 8.9. Net liquidity stood at MEUR 8.7, gearing was minus 2.7 %. The book-to-bill ratio, which compares the number of orders received with sales and serves as an indicator of medium-term development, remained consistently above 1.

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Gerald Grohmann, CEO of SBO:

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*"The business environment has improved distinctly in 2021. This went hand in hand with sound operational growth. The global economy continues to rebound, underpinning the current positive momentum in our industry. While we consistently adhere to our growth strategy, we are convinced that we can deploy our technologies profitably in different sectors moving forward."*

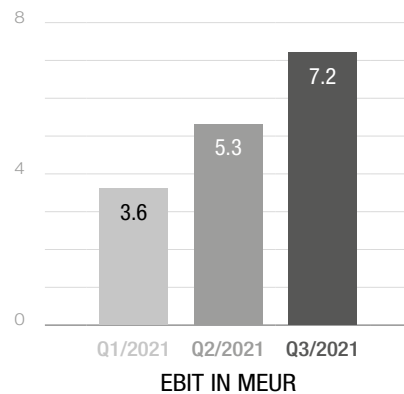
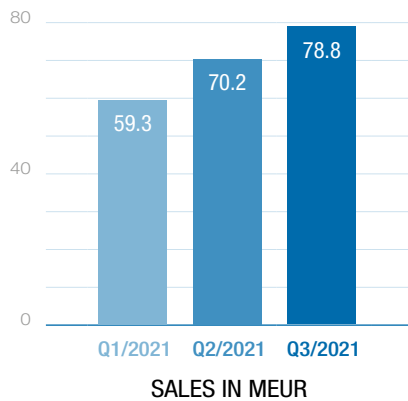
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SBO continues to work on its **long-term growth strategy** and is pushing ahead with its **"Diversified Markets" initiative**, involving the use of technologies across different industries. The establishment of a large North American center for Direct Metal Laser Sintering (DMLS), an innovative 3D metal printing technology, at an early point in time has made the company a front runner in this particular field. On top of that, SBO strives toward structural improvement of its energy efficiency and reduction of carbon emissions.

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# BUSINESS DEVELOPMENT

## QUARTERLY GROWTH 1-9/2021



## SALES AND EARNINGS

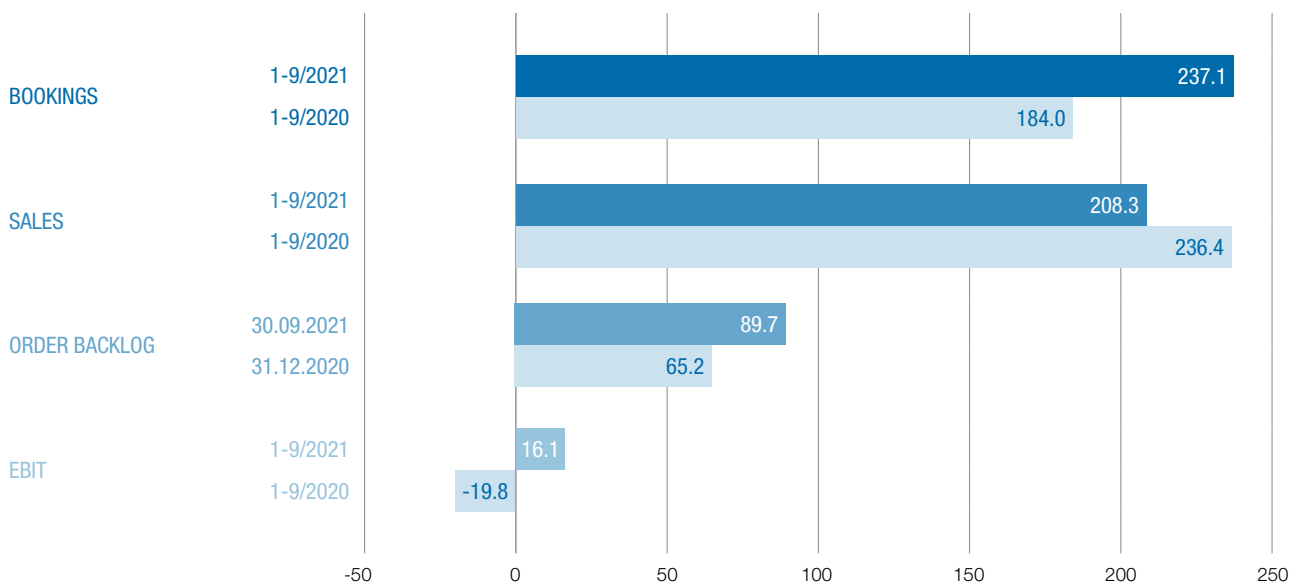
Bookings received by SBO in the first three quarters of 2021 amounted to MEUR 237.1, significantly above the level seen in the previous year (1-9/2020: MEUR 184.0). Sales increased from quarter to quarter over the year. Following MEUR 59.3 in the first quarter and MEUR 70.2 in the second quarter, the company generated MEUR 78.8 in the third quarter of 2021,

bringing sales after nine months to MEUR 208.3, compared to MEUR 236.4 in the same period of 2020, when the first quarter of 2020 was still largely unaffected by the COVID-19 pandemic. The order backlog rose to MEUR 89.7 at the end of September 2021 (31 December 2020: MEUR 65.2).

Earnings before interest, taxes, depreciation, and amortization (EBITDA) arrived at MEUR 40.1 in 2021, following MEUR 27.2 in the first three quarters of 2020. The EBITDA margin went up to 19.2 % (1-9/2020: 11.5 %). Profit from operations (EBIT) improved considerably compared to the previous year and came to MEUR 16.1 (1-9/2020:

MEUR minus 19.8). Profit before tax climbed to MEUR 12.7 (1-9/2020: MEUR minus 21.8). Profit after tax was MEUR 8.9 (1-9/2020: MEUR minus 21.3). Earnings per share in the first three quarters of 2021 stood at EUR 0.57 (1-9/2020: EUR minus 1.35).

#### IN MEUR



*"After the challenging year 2020, we are experiencing positive momentum in 2021, which is also reflected in our performance from quarter to quarter", comments CEO Gerald Grohmann on the first nine months of 2021.*



## SEGMENTS

SBO's business is divided into two segments, Advanced Manufacturing & Services (AMS) and Oilfield Equipment (OE). While, at the end of the third quarter of 2021, sales in the AMS segment totaling MEUR 102.8 were substantially below the level recorded in the previous year (1-9/2020: MEUR 131.4), profit from operations

(EBIT) came to MEUR 8.5, almost achieving the result for the previous year (1-9/2020: MEUR 9.8 before one-off effects). Sales at MEUR 105.5 in the OE segment reached levels as in the previous year (2020: MEUR 105.0), while EBIT was significantly higher at MEUR 6.3 (1-9/2020: MEUR minus 1.0 before one-off effects).

## KEY BALANCE SHEET FIGURES

In the first three quarters of 2021 SBO's equity increased to MEUR 320.1 as of 30 September 2021 (31 December 2020: MEUR 287.0). SBO's equity ratio went up to 40.7 % (31 December 2020: 36.9 %). Net liquidity decreased slightly to MEUR 8.7 (31 December 2020: MEUR 9.5). Similarly, gearing was reduced marginally to minus 2.7 % (31 December 2020: minus 3.3 %). Liquid

funds stood at MEUR 296.1 (31 December 2020: MEUR 314.0). Cashflow from operating activities arrived at MEUR 20.8 in the first three quarters of 2021 (1-9/2020: MEUR 81.3). Capital expenditure in property, plant and equipment and intangible assets (CAPEX, excluding rights of use) amounted to MEUR 13.8 (1-9/2020: MEUR 13.9).

## SBO'S KEY PERFORMANCE INDICATORS AT A GLANCE

	UNIT	1-9/2021	1-9/2020
Sales	MEUR	208.3	236.4
Earnings before interest, taxes, depreciation and amortization (EBITDA)	MEUR	40.1	27.2
EBITDA margin	%	19.2	11.5
Profit from operations (EBIT) before impairments and restructuring measures	MEUR	16.1	1.1
EBIT margin before impairments and restructuring measures	%	7.7	0.5
Profit / loss from operations (EBIT)	MEUR	16.1	-19.8
EBIT margin	%	7.7	-8.4
Profit / loss before tax	MEUR	12.7	-21.8
Profit / loss after tax	MEUR	8.9	-21.3
Earnings per share	EUR	0.57	-1.35
Cashflow from operating activities	MEUR	20.8	81.3
Liquid funds as of 30 September 2021 / 31 December 2020	MEUR	296.1	314.0
Net liquidity as of 30 September 2021 / 31 December 2020	MEUR	8.7	9.5
Headcount as of 30 September 2021 / 31 December 2020		1,215	1,131

# MARKET ENVIRONMENT

Over the course of the year 2021 the effects of rising vaccination rates became apparent, restrictions were gradually reduced and world trade picked up momentum again. As a result, a clear recovery from the massive impact of the COVID-19 pandemic could begin. The stability of this recovery is also confirmed by the expectations of the International Monetary Fund (IMF), which predicts that the global economy will grow by 5.9 % in 2021, after a decline of 3.1 % in 2020.<sup>1</sup>

However, rising freight, material and energy prices as well as supply bottlenecks for certain goods could slow down economic growth. Producer prices in the euro area, for example, rose by 14.2 % compared to the previous year's figure. Prices for crude iron, steel and alloy riders were, depending on the product group, up to 60 % higher. Also energy prices increased by an average of 32.6 %.<sup>2</sup>

The fundamental recovery of the global economy is also reflected in the demand for natural gas and oil which is on the rise worldwide. Natural gas is considered as a transitional resource for achieving climate goals. Global demand for natural gas is projected to go up by 140 billion cubic meters (bcm), or 3.6 %, in 2021,

following a decline of 75 billion cubic meters (bcm), or 1.9 %, in 2020.<sup>3</sup>

Demand for oil in 2021 is expected to rise by 5.5 million barrels per day (mb/d), or 6.1 %, to in total 96.3 mb/d, after a historical collapse in full-year 2020 (90.8 mb/d).<sup>4</sup>

Growing demand for gas and oil is also reflected in the global rig count, which stood at 1,448 rigs at the end of September 2021, up 429 rigs, or 42.1 %, year-on-year (September 2020: 1,019 rigs).<sup>5</sup>

Gas and oil prices rose sharply in the course of 2021. The gas price started 2021 at USD 2.54/MMBtu (million British thermal units) and arrived at USD 5.88/MMBtu on the last trading day of the third quarter. Having gone up constantly over the first three quarters, the price of natural gas recorded a significant increase of 131.5 %.<sup>6</sup> European Brent crude had started 2021 at USD 51.80 per barrel and went up to USD 78.52 on the last trading day of the third quarter, up 51.6 %. The highest price was USD 79.53 per barrel on 27 September. In the same period, the price of WTI rose from USD 48.52 per barrel to USD 75.03, up by as much as 54.6 %. The highest price there was USD 75.45 per barrel on 27 September.<sup>7</sup>

<sup>1</sup> IMF, World Economic Outlook, October 2021.

<sup>2</sup> Statistisches Bundesamt Deutschland, Pressemitteilung Nr. 490 of 20 October 2021: Energiepreise September 2021.

<sup>3</sup> IEA Gas Market Report Q4-2021, October 2021.

<sup>4</sup> IEA Oil Market Report, November 2021.

<sup>5</sup> Baker Hughes Rig Count.

<sup>6</sup> Bloomberg, NG1 Natural Gas (Nymex).

<sup>7</sup> Bloomberg, CO1 Brent Crude (ICE) and CL1 WTI Crude (Nymex).



# OUTLOOK

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The International Monetary Fund (IMF) forecasts economic growth to come to 5.2 % in developed industrialized countries and 6.4 % in emerging markets in the year 2021. The positive projections take into account rising vaccination rates and assume that the associated ongoing immunization should contain the COVID-19 pandemic, although temporary regional restrictions cannot be ruled out. Overall global economic growth of 4.9 % is projected for 2022.<sup>8</sup>

SBO is starting the year 2022 on positive prospects. Rising demand for energy combined with underspending in exploration and production in recent years should have a beneficial effect on SBO's business. Uncertainties caused by current developments on the energy and raw materials markets and the associated increase in freight, material and energy prices might have an impact on growth expectations. Overall, growth, however, should be distinct for 2022, according to economic forecasts.

*"Although global economic growth is affected by the consequences of the COVID-19 pandemic and delays in supply chains, we believe that sound economic growth lies ahead of us and therefore demand for oil and gas should rise. This view is also supported by our customers' assessments", says CEO Gerald Grohmann.*



<sup>8</sup> IMF, World Economic Outlook, October 2021.

*"Secure energy supply is becoming even more crucial, especially in times of current shortages. Natural gas is increasingly recognized as a key bridge fuel for energy transition. With our products, we make a contribution to efficient energy production and we use the time to drive our diversification strategy forward", comments CEO Gerald Grohmann.*



The company adheres to the three pillars of its sustainable growth strategy and applies them to

diversification into new industries and fields of application.

# ABOUT SBO

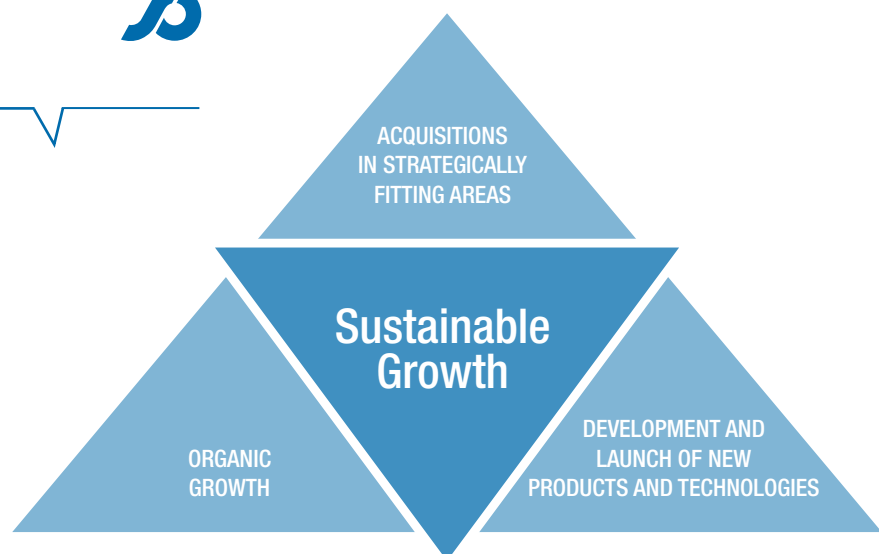
## SBO AT A GLANCE

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) is the global market leader in the production of high-precision components made of non-magnetic, high-alloy stainless steels. The Group is equally recognized worldwide for its high-efficiency drilling tools and equipment for the oil and gas industry.

Strong intellectual property protection offers significant competitive advantages. Product and process

innovations, including the Direct Metal Laser Sintering (DMLS) 3D printing technology, support the leading position of SBO in the oil and gas industry and other sectors. The Group employs a workforce of more than 1,200 worldwide and is successfully positioned in technologically demanding, profitable niches. Information on the "Quality First"-based growth strategy and sustainable management (ESG) is available in the annual report at <https://www.sbo.at/publikationen>.

*"Quality First"*



# THE SBO SHARE

The share of Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft is listed in the Prime Market of the Vienna Stock Exchange and is part of the ATX, the leading Austrian index. In total, 16,000,000 par value shares with a nominal value of EUR 1.00 each have been issued.

The SBO share started the year at a price of EUR 31.10 on 4 January 2021 and closed at

EUR 34.90 on 30 September 2021, while reaching its high for the first three quarters of 2021 at a price of EUR 45.05 on 8 March 2021.

Market capitalization as of 30 September 2021 was MEUR 558.4. 67 % of the shares were in free float at that date.

**EUR 31.10**  
4 January 2021

**EUR 34.90**  
30 September 2021

**MEUR 558.4**  
Market capitalization – 30 September 2021

## FINANCIAL CALENDAR 2022

DATE	EVENT
18.01.2022	Preliminary result for 2021
17.03.2022	Annual financial statements for 2021
28.04.2022	Annual General Meeting, 10 a.m.
19.05.2022	Q1 2022
18.08.2022	HY 2022
24.11.2022	Q3 2022

# CONSOLIDATED PROFIT AND LOSS STATEMENT

IN TEUR	9 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
<b>Sales</b>	<b>208,291</b>	<b>236,418</b>	<b>78,776</b>	<b>51,916</b>
Cost of goods sold	-157,562	-182,669	-58,859	-46,228
<b>Gross profit</b>	<b>50,729</b>	<b>53,749</b>	<b>19,917</b>	<b>5,688</b>
Selling expenses	-15,320	-17,306	-5,387	-4,127
General and administrative expenses	-20,707	-26,201	-7,323	-7,531
Other operating expenses	-7,343	-13,296	-2,355	-5,070
Other operating income	8,763	4,195	2,395	-203
<b>Profit / loss from operations before impairments and restructuring measures</b>	<b>16,122</b>	<b>1,141</b>	<b>7,247</b>	<b>-11,243</b>
Restructuring losses	0	-509	0	-57
Impairment on property, plant and equipment	0	-1,690	0	35
Impairment on goodwill and other intangible assets	0	-13,157	0	237
Impairment on current assets	0	-5,608	0	111
<b>Profit / loss from operations after impairments and restructuring measures</b>	<b>16,122</b>	<b>-19,823</b>	<b>7,247</b>	<b>-10,917</b>
Interest income	315	1,388	108	254
Interest expenses	-3,894	-3,387	-1,291	-1,182
Other financial income	111	22	0	-1
<b>Financial result</b>	<b>-3,468</b>	<b>-1,977</b>	<b>-1,183</b>	<b>-929</b>
<b>Profit / loss before tax</b>	<b>12,654</b>	<b>-21,800</b>	<b>6,064</b>	<b>-11,846</b>
Income taxes	-3,767	496	-1,360	2,587
<b>Profit / loss after tax</b>	<b>8,887</b>	<b>-21,304</b>	<b>4,704</b>	<b>-9,259</b>
Average number of shares outstanding	15,727,553	15,793,147	15,729,465	15,723,465
<b>EARNINGS PER SHARE IN EUR (BASIC = DILUTED)</b>	<b>0.57</b>	<b>-1.35</b>	<b>0.30</b>	<b>-0.59</b>

# CONSOLIDATED BALANCE SHEET

## ASSETS

IN TEUR	30.09.2021	31.12.2020
<b>Current assets</b>		
Cash and cash equivalents	296,130	313,950
Trade receivables	75,373	54,252
Other receivables and other assets	10,104	8,089
Assets held for sale	0	2,215
Inventories	113,891	114,015
<b>Total current assets</b>	<b>495,498</b>	<b>492,521</b>
<b>Non-current assets</b>		
Property, plant and equipment	120,038	121,362
Goodwill	124,389	117,708
Other intangible assets	12,275	14,463
Long-term receivables and assets	3,722	3,930
Deferred tax assets	29,686	27,903
<b>Total non-current assets</b>	<b>290,110</b>	<b>285,366</b>
<b>TOTAL ASSETS</b>	<b>785,608</b>	<b>777,887</b>

**LIABILITIES AND EQUITY**

IN TEUR	30.09.2021	31.12.2020
<b>Current liabilities</b>		
Liabilities to banks	37,018	33,938
Current portion of long-term loans	22,047	25,236
Lease liabilities	2,113	2,222
Trade payables	15,521	17,072
Government grants	215	215
Income tax payable	3,305	1,191
Other liabilities	128,821	138,415
Other provisions	8,070	6,562
<b>Total current liabilities</b>	<b>217,110</b>	<b>224,851</b>
<b>Non-current liabilities</b>		
Long-term loans	228,382	245,312
Lease liabilities	5,127	5,125
Government grants	89	89
Provisions for employee benefits	7,039	6,859
Other liabilities	7,776	8,484
Deferred tax liabilities	14	129
<b>Total non-current liabilities</b>	<b>248,427</b>	<b>265,998</b>
<b>Equity</b>		
Share capital	15,729	15,723
Capital reserve	63,035	62,780
Legal reserve	785	785
Other reserves	19	19
Currency translation reserve	20,138	-3,747
Retained earnings	220,365	211,478
<b>Total equity</b>	<b>320,071</b>	<b>287,038</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>785,608</b>	<b>777,887</b>

# CONSOLIDATED CASHFLOW STATEMENT

IN TEUR	9 MONTHS PERIOD ENDED	
	30.09.2021	30.09.2020
<b>OPERATING ACTIVITIES</b>		
Profit / loss after tax	8,887	-21,304
Depreciation, amortization and impairments	23,931	47,029
Other non-cash expenses and revenues	-6,326	2,175
<b>Cashflow from profit</b>	<b>26,492</b>	<b>27,900</b>
Expenditures for the acquisition of non-controlling interests	0	-87
Change in working capital	-5,723	53,464
<b>Cashflow from operating activities</b>	<b>20,769</b>	<b>81,277</b>
<b>INVESTING ACTIVITIES</b>		
Expenditures for property, plant and equipment and intangible assets	-13,836	-13,864
Expenditures for the acquisition of non-controlling interests*	-20,891	0
Other activities	549	2,856
<b>Cashflow from investing activities</b>	<b>-34,178</b>	<b>-11,008</b>
<b>FREE CASHFLOW</b>	<b>-13,409</b>	<b>70,269</b>
<b>FINANCING ACTIVITIES</b>		
Dividend payment	0	-18,861
Acquisition of treasury shares	0	-6,680
Change in financial liabilities	-18,187	23,899
<b>Cashflow from financing activities</b>	<b>-18,187</b>	<b>-1,642</b>
<b>Change in cash and cash equivalents</b>	<b>-31,596</b>	<b>68,627</b>
Cash and cash equivalents at the beginning of the period	313,950	265,211
Effects of exchange rate changes on cash and cash equivalents	13,776	-11,887
<b>Cash and cash equivalents at the end of the period</b>	<b>296,130</b>	<b>321,951</b>

\* Security deposit, see Note 10 in Half-Year Financial Report (Quarterly Highlights) 2021



# SEGMENT REPORTING

## 1-9/2021

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	102,817	105,474	0	208,291
Intercompany sales	37,378	15,054	-52,432	0
<b>Total sales</b>	<b>140,195</b>	<b>120,528</b>	<b>-52,432</b>	<b>208,291</b>
Profit from operations (EBIT)	8,538	6,292	1,292	16,122
<b>Profit / loss before tax</b>	<b>9,327</b>	<b>5,736</b>	<b>-2,409</b>	<b>12,654</b>

## 1-9/2020

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	131,368	105,050	0	236,418
Intercompany sales	32,456	16,057	-48,513	0
<b>Total sales</b>	<b>163,824</b>	<b>121,107</b>	<b>-48,513</b>	<b>236,418</b>
Profit / loss from operations (EBIT) before impairments and restructuring measures	9,848	-1,028	-7,679	1,141
<b>Profit / loss before tax</b>	<b>2,156</b>	<b>-14,018</b>	<b>-9,938</b>	<b>-21,800</b>

## CONTACT AND LEGAL NOTICE

Further information about SBO is available on [www.sbo.at](http://www.sbo.at). If you have any questions regarding the company or would like to be included in SBO's Investor Relations Information Service (IRIS), please send an e-mail to [investor\\_relations@sbo.co.at](mailto:investor_relations@sbo.co.at).

## DISCLAIMER

Note on this quarterly financial report:  
This quarterly financial report is also available in the German language. In the event of discrepancies, the German version shall prevail.

## FORWARD-LOOKING STATEMENTS AND FORECASTS:

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